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RESPONSIBILITY BOARD

FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 1966

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the parish or municipality, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 14 1966

Walter B. Cascio, CPA  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON  
AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Responsibility House

We have audited the financial statements of Responsibility House (a nonprofit corporation) as of and for the year ended June 30, 1996, and have issued our report thereon dated October 30, 1996.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-133 "Audits of Institutions of Higher Education and Other Non-Profit Institutions". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Responsibility House is the responsibility of Responsibility House. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Responsibility House's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions; accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Directors, Management, Jefferson Parish Human Services Authority, State or Louisiana Department of Health and Hospitals, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

*Cascio, Davis & Schmidt*

Metairie, Louisiana  
October 30, 1996

purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors, Management, Jefferson Parish Human Services Authority, State of Louisiana Department of Health and Hospitals and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Carris, Davis & Schmidt*

Metairie, Louisiana  
October 30, 1994

RESPONSIBILITY BOND

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 1996

NOTE E - PRIOR PERIOD ADJUSTMENT - CONTINUED

No restrictions were placed on the donated property and equipment, accordingly, Responsibility Bonds elected not to imply a time restriction over the useful life of the property and equipment.

NOTE F - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member.

NOTE G - ECONOMIC DEPENDENCY

The Corporation receives the majority of its revenue from funds provided through grants administered by the State of Louisiana. The grant amounts are appropriated each year by the State of Louisiana. If significant budget cuts are made at the State level, the amount of the funds the organization receives could be reduced significantly and have an adverse impact on its operation. At the time of completion of the examination of the Corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the organization will receive in the next fiscal year.

RESPONSIBILITY HOUSE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1994

NOTE C - CONTRACT ADVANCE

The contract advance included in current liabilities consists of the balance of the advance received from the Jefferson Parish Human Services Authority at inception of the contract not deducted from monthly remittances to Responsibility House as of June 30, 1994.

All receivables at June 30, 1994 are considered collectible, accordingly, an allowance for doubtful accounts is not presented.

NOTE D - RENTAL EXPENSE

The Corporation leases apartments for clients on a year to year basis. Rental expense for the year ended June 30, 1994 totaled \$34,920.

NOTE E - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the programs and activities have been summarized on a functional basis in the Schedule of Functional Expenses. Certain costs have been allocated among the programs and supporting services based on actual services rendered or on a usage basis.

NOTE F - PRIOR PERIOD ADJUSTMENT

The following property and equipment was donated to Responsibility House on July 1, 1994:

	Fair Market Value <u>at July 1, 1994</u>
1 Twelve passenger 1992 Ford van	\$ 18,700
Various furniture and appliances	5,000
	\$ 23,700
Unrestricted assets at June 30, 1993, as previously reported	\$ 18,162
Add donation of property and equipment	25,700
Deduct depreciation for the year ended June 30, 1994	(4,320)
Unrestricted assets at June 30, 1994, as restated.	\$ 39,542

RESPONSIBILITY BOND  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 1996

<b>UNRESTRICTED NET ASSETS</b>		
Revenue and Support		
Grant revenue	\$ 168,804	
Client service fees	22,100	
Other	<u>      100</u>	
<b>Total Unrestricted Revenue and Support</b>		<b>\$ 191,004</b>
<b>EXPENSES</b>		
Program services		
Primary Treatment Program	\$ 101,400	
Independent Living Program	<u>  81,810</u>	183,210
Supporting services		
Management and general		<u>  11,623</u>
<b>Total Expenses</b>		<b>194,833</b>
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>		<b>3,480</b>
<b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>		<b>-</b>
<b>CHANGE IN PERMANENTLY RESTRICTED NET ASSETS</b>		<b>-</b>
<b>INCREASE IN NET ASSETS</b>		<b>3,480</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>10,162</b>	
Add prior period adjustment for property and equipment donated to the Corporation in July 1994. (Note E)	<u>  14,323</u>	
<b>Net assets at beginning of year, as restated</b>		<b>24,485</b>
<b>NET ASSETS AT END OF YEAR</b>		<b>\$ 27,965</b>

The accompanying notes are an integral part of this statement.

RESPONSIBILITY HOUSE

STATEMENT OF FINANCIAL POSITION

June 30, 1990

ASSETS		
CURRENT ASSETS		
Cash	\$	19,843
Grants receivable (Note E)		13,910
Deposits		<u>2,280</u>
Total current assets		35,993
PROPERTY AND EQUIPMENT (Notes A and E)		
Automotive equipment	14,700	
Furniture and appliances	<u>3,850</u>	
	18,550	
Less accumulated depreciation	<u>3,850</u>	<u>3,850</u>
		\$ <u>14,700</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$	962
Accrued liabilities		3,817
Contract advance (Note E)		<u>8,200</u>
Total current liabilities		\$ 12,979
NET ASSETS (Notes A and E)		
Unrestricted	22,822	
Total Net Assets		22,822
		\$ <u>14,700</u>

The accompanying notes are an integral part of this statement.

RESPONSIBILITY FORM

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RESPONSIBILITY HOUSE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1996

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

5. Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment is depreciated using the straight-line method. Depreciation amounted to \$4,929 for the year ended June 30, 1996.

6. Income Taxes

The corporation is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

7. Revenue Recognition

Grant revenue is recognized as it is earned in accordance with approved contracts. All other types of revenue are recognized as received.

8. Cash Equivalents

For the purpose of the statement of cash flows, the Corporation considers all investments with original maturities of three months or less to be cash equivalents.

NOTE B. - GRANTS RECEIVABLE

Grants receivable from Jefferson Parish Human Services Authority represent the amount of funds awarded and earned but not received at June 30, 1996, as scheduled below:

	Grant \$6, 97	Grant \$6, 38	Total
Funds awarded and earned through June 30, 1996	\$ 100,893	\$ 42,863	\$ 166,854
Funds received through June 30, 1996	50,884	57,488	102,924
Grants receivable at June 30, 1996	0,527	5,403	13,930
Less contract advances	( 2,880)	( 1,628)	( 4,508)
Net receivable	\$ 7,174	\$ 9,258	\$ 16,432

RESPONSIBILITY BOARD  
 SCHEDULE OF FUNCTIONAL EXPENSES

Year Ended June 30, 1996

	PROGRAM EXPENSES		NONPROGRAM EXPENSES		TOTAL
	Primary Treatment	Independent Living	Management & General		
<b>PERSONAL SERVICES</b>					
Wagon	\$ 50,535	\$ 41,340	\$ 773	\$	92,648
contract labor	42	42	-	-	84
	<u>50,577</u>	<u>41,382</u>	<u>773</u>	<u>-</u>	<u>92,732</u>
<b>RELATED BENEFITS</b>					
Payroll taxes	4,361	3,569	72	-	8,002
Workman's compensation insurance	1,521	1,244	25	-	2,790
Accrued leave	356	358	-	-	714
	<u>6,238</u>	<u>5,171</u>	<u>97</u>	<u>-</u>	<u>11,506</u>
<b>TRAVEL</b>	<u>443</u>	<u>362</u>	<u>-</u>	<u>-</u>	<u>805</u>
<b>OPERATING SERVICES</b>					
Director's mileage	4,126	-	-	-	4,126
Meals and fees	220	85	-	-	305
Entertainment	486	-	-	-	486
Insurance	2,425	1,424	1,893	-	5,742
Licenses and permits	302	30	-	-	332
Miscellaneous/bank charges	324	323	-	-	647
Rent	17,460	9,460	9,800	-	36,720
Telephone	1,577	587	423	-	2,587
Training and education	1,809	343	-	-	2,152
Utilities	4,401	1,436	1,495	-	7,332
Vehicle maintenance and repair	2,222	1,350	-	-	3,572
	<u>38,270</u>	<u>13,423</u>	<u>12,369</u>	<u>-</u>	<u>64,062</u>
<b>SUPPLIES</b>					
cleaning/household supplies	601	1,888	-	-	2,489
Food	4,319	289	-	-	4,608
Office supplies	2,581	439	-	-	3,020
	<u>7,501</u>	<u>2,616</u>	<u>-</u>	<u>-</u>	<u>10,117</u>
<b>PROFESSIONAL SERVICES</b>					
Accounting and audit	2,250	2,250	-	-	4,500
Legal services	362	361	-	-	723
nutritionist	318	318	-	-	636
	<u>2,930</u>	<u>2,929</u>	<u>-</u>	<u>-</u>	<u>5,859</u>
<b>DEPRECIATION</b>	<u>1,680</u>	<u>1,230</u>	<u>-</u>	<u>-</u>	<u>2,910</u>
<b>TOTALS</b>	<b>\$ 105,499</b>	<b>\$ 68,810</b>	<b>\$ 13,837</b>	<b>\$</b>	<b>188,146</b>

The accompanying notes are an integral part of this statement.

RESPONSIBILITY BOARD  
 STATEMENT OF CASH FLOWS  
 Year Ended June 30, 1986

CASH FLOWS FROM OPERATING ACTIVITIES	
Grant revenue	\$ 182,023
Client service fees	23,388
Other	<u>205</u>
	205,616
Payments to employees and suppliers	(180,128)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 5,487
CASH FLOWS FROM INVESTING ACTIVITIES	
	-
CASH FLOWS FROM FINANCING ACTIVITIES	
	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,487
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,854
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>19,341</u>

RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Increase in net assets	\$ 3,865
Adjustments to reconcile increase in net assets provided by operating activities:	
Depreciation	\$ 4,925
(Increase) decrease in operating assets:	
Grants receivable	(1,338)
Prepaid expenses	1,830
Increase (decrease) in operating liabilities:	
Accounts payable	(1,910)
Accrued expenses	388
Contract advance	(2,853)
Total adjustments	<u>3,862</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u>5,487</u>

The accompanying notes are an integral part of this statement.

RESPONSIBILITY HOUSE

NOTES TO FINANCIAL STATEMENTS

June 30, 1994

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the Corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Reporting Entity

Responsibility House was incorporated May 10, 1984 and began operations July 1, 1984. The accompanying financial statements present all programs operated by Responsibility House during the year ended June 30, 1994.

2. Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting.

The Corporation elected to adopt early (fiscal year ended June 30, 1995), Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS 116, contributions received are recorded as unrestricted, temporarily restricted, and permanently restricted support, depending on the existence or nature of any donor restrictions.

The Corporation also elected to adopt SFAS 117, Financial Statements of Not-for-profit organizations. Under SFAS 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Corporation does not have any temporarily restricted or permanently restricted net assets.

3. Organization and Nature of Activities

Responsibility House is a private, non-profit halfway house and three quarters house for the treatment of adult, chemically dependent males.

4. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

BRUCE D. CANNON, CPA  
JACK R. BARR, CPA  
GUYTON A. SCHMIDT, CPA

MEMBER  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
INSTITUTE OF BUSINESS EXECUTIVES  
PUBLIC ACCOUNTANTS

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Directors  
Responsibility House

We have audited the accompanying statement of financial position of Responsibility House (a nonprofit corporation) as of June 30, 1996, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A - 133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Responsibility House as of June 30, 1996, and the changes in net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

*Cascio, Davis & Schmidt*

Metairie, Louisiana  
October 30, 1996